

Gerald C. Bender (GB-5849)
Lawrence A. First (LF-9650)
FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON
(A Partnership Including
Professional Corporations)
Attorneys for Debtors
and Debtors-in-Possession
One New York Plaza
New York, New York 10004
(212) 859-8000

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF	:	through 00 B 41196 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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OBJECTION OF DEBTORS AND DEBTORS-IN-
POSSESSION TO MOTION OF CERTAIN UTILITIES
FOR AN ORDER MODIFYING THE ORDER
DETERMINING THAT CERTAIN UTILITIES ARE
ADEQUATELY ASSURED OF PAYMENT

TO THE HONORABLE STUART M. BERNSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors-in-possession
(collectively, the "Debtors"), for their objection (the
"Objection") to the Motion (the "Motion") of The Consolidated
Edison Company of New York, Inc., Long Island Lighting Company
d/b/a LIPA, KeySpan Gas East Corporation d/b/a KeySpan Energy
Delivery Long Island, Duke Power Company, Baltimore Gas And
Electric Company, Niagara Mohawk Power Corporation, Virginia
Electric And Power Company and Georgia Power Company
(collectively, the "Utilities") requesting an order modifying

this Court's order determining that certain utilities are adequately assured of payment pursuant to section 366 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), respectfully state as follows:

Introduction

Pursuant to the Motion, the Utilities are seeking to modify this Court's July 18, 2000 ruling determining that the Utilities, along with other utility companies, are adequately assured of payment pursuant to section 366 of the Bankruptcy Code. The Utilities are requesting that the Debtors either pay a two-month deposit (approximately \$525,000) or pay the Utilities in advance for utility service on a weekly basis. In essence, the Utilities are seeking a guaranty of payment, something not contemplated by section 366 of the Bankruptcy Code.

The Debtors believe that the Utilities remain adequately assured of payment as a result of the fact that the Debtors have continued to make post-petition payments on a timely basis to all of their utility providers, including the Utilities. The Debtors are willing, however, if the Court determines that the Utilities are not otherwise adequately protected, to pay the Utilities on a bi-weekly basis in arrears.

Objection

Utility services are essential to the ability of the Debtors to sustain their business operations while these chapter 11 cases are pending, and any interruption of utility service during the pendency of these chapter 11 cases would halt the Debtors' business operations and reorganization efforts. The

Debtors believe section 366 of the Bankruptcy Code has been satisfied because the Debtors have timely paid for all post-petition services provided by the Utilities and the Utilities have been granted administrative expense priority in the event that post-petition utility bills are not paid. The Utilities, however, are seeking to secure a guarantee of payment by requesting a two-month deposit or payment each week in advance of providing utility service to the Debtors. Section 366 of the Bankruptcy Code does not entitle the Utilities to the relief they seek.

The Debtors also object to the Utilities' request for a two-month deposit or weekly advance payment because such a request is not feasible in the context of these chapter 11 cases. The Debtors do not have the \$525,000 requested by the Utilities and, as this Court is aware, the Debtors' post-petition financing facility requires that the Debtors adhere to a strict weekly budget which does not provide for payment of such a deposit. Thus, the Debtors do not have the ability to borrow the money needed to pay the requested deposit. Additionally, requiring the Debtors to make payments every week would cause an enormous administrative burden for the Debtors considering the breadth of their operations and minimal administrative staff. Moreover, since the Debtors will continue to pay all utility bills as they come due, requiring the Debtors to make weekly advance payments while monthly bills are still being issued for the prior month(s) would cause liquidity problems for the Debtors and possibly result in a default under their post-petition financing facility.

For the foregoing reasons, the Debtors request that this Court deny the relief requested in the Motion. If, however, this Court should find that the Utilities are not adequately protected by the Debtors' timely payment history and the administrative expense status granted to unpaid post-petition utility bills, the Debtors propose that the Court require the Debtors to pay the Utilities every two weeks, in arrears, for services provided. Payment by the Debtors every two weeks in arrears would significantly reduce the Utilities risk of nonpayment and still provide the Debtors with the necessary administrative and budget flexibility to continue their reorganization efforts.

In addition, there are over 130 different Debtors in these chapter 11 cases with locations across the country. Thus, it is imperative that any relief granted by this Court require the Utilities to provide the Debtors' headquarters and bankruptcy counsel with reasonable notice of any post-petition default and opportunity to cure such default prior to termination of utility

service. The Debtors believe that such notice was part of this Court's July 18, 2000 ruling and should remain unmodified.

Dated: New York, New York
December 5, 2000

FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON
(A Partnership including
Professional Corporations)
Attorneys for Debtors and
Debtors-in-Possession
One New York Plaza
New York, New York 10004
(212) 859-8000

By: /s/ Gerald C. Bender
Gerald C. Bender (GB-5849)

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